

## **REMARKS**

Applicant respectfully thanks the Examiner for the consideration provided to this application, and respectfully requests reconsideration of this application.

Each of claims 1, 11, 18, 23, and 25 has been amended for at least one reason unrelated to patentability, including at least one of: to explicitly present one or more elements, limitations, phrases, terms and/or words implicit in the claim as originally written when viewed in light of the specification, thereby not narrowing the scope of the claim; to detect infringement more easily; to enlarge the scope of infringement; to cover different kinds of infringement (direct, indirect, contributory, induced, and/or importation, etc.); to expedite the issuance of a claim of particular current licensing interest; to target the claim to a party currently interested in licensing certain embodiments; to enlarge the royalty base of the claim; to cover a particular product or person in the marketplace; and/or to target the claim to a particular industry.

Claims 1-30 are now pending in this application. Each of claims 1, 11, 18, and 25 is in independent form.

### **I. Claim Interpretation**

The Examiner indicated in the section of the Office Action entitled, "Interpretation of Claims" that all claim limitations have been considered, but that "language that states only the intended use or intended result" will be interpreted in certain circumstances such that a "prior art structure or method [that] is capable of performing the intended use" shall "meet the claim." Although independent claims 1, 11, 18 and 25 have generally been called out, no specific claim language has been identified upon which Applicant can either agree or disagree with the Examiner's specific interpretation. To the extent the Examiner makes specific statements regarding claim interpretation in the remainder of the Office Action, Applicant will attempt to address them where appropriate.

### **II. The Objections to Claims 9-10, 16-17, and 23-24**

The Examiner objected to each of claims 9-10, 16-17 and 23-24 under 37 CFR 1.75(c) as being of improper dependent form for failing to further limit the subject matter of a previous claim. Applicant respectfully disagrees with the basis for these objections for at

least the following reasons.

With regard to claims 9-10, the Examiner argues that the recited language, “payments are royalty payments”, and “rights are contractual rights”, do not further limit the claimed subject matter of claim 1. However, those claim limitations specifically limit the “payments” and “rights” limitations of claim 1, and, thus, clearly do further limit claim 1. 35 U.S.C. 112 ¶4 sets forth the test evaluating proper dependency: “a claim in dependent form shall contain a reference to a claim previously set forth and then specify a further limitation of the subject matter claimed.” Claims 9 and 10 do include each and every limitation of parent claim 1 by reference, and explicitly further limit language (i.e., “payments” and “rights”) defining the claimed subject matter. Thus, claims 9 and 10 are in proper dependent form.

The Examiner argues that the “payments are royalty payments” and “rights are contractual rights” limitations are non-functional descriptive matter, and therefore not entitled to patentable weight. The issue of whether the claims are further limited by claim language of the dependent claim for purposes of 37 CFR 1.75(c) is separate from the issue of whether those limitations are given patentable weight under a “non-functional descriptive material” analysis in a manner that would impact claim scope. As noted in the MPEP, “[a] dependent claim does not lack compliance with 35 U.S.C. 112, fourth paragraph, simply because there is a question as to (1) the significance of the further limitation added by the dependent claim, or (2) whether the further limitation in fact changes the scope of the dependent claim from that of the claim from which it depends. The test for a proper dependent claim under the fourth paragraph of 35 U.S.C. 112 is whether the dependent claim includes every limitation of the claim from which it depends. The test is not one of whether the claims differ in scope.” See 608.01(n) II & III. Thus, it is respectfully submitted that the Examiner’s reliance on the determination of whether the limitations reflect or do not reflect “non-functional descriptive material” is not dispositive of whether dependent claims 9-10 are in proper dependent form.

With regard to claims 16-17, the Examiner argues that the claims do not recite “instructions”, and therefore, are not in proper dependent form. However, that is not the proper standard for evaluating whether the claims are in proper dependent form under 37 CFR 1.75(c). The recited “payments are royalty payments”, and “rights are contractual rights” specifically limit the “payments” and “rights” limitations of claim 11, and, thus, clearly do further limit the subject matter of claim 11. For reasons similar to those presented in connection with claims 9 and 10, Applicant respectfully submits that claims 16-17 are in

proper dependent form.

The Examiner makes similar arguments for claims 23-24. However, in a manner similar to claims 9-10 and 16-17, the recited language, “payments are royalty payments”, and “rights are contractual rights”, of claims 23-24, specifically limit the “payments” and “rights” limitations of independent claim 18, and, thus, clearly do further limit claim 18.<sup>1</sup>

In view of the foregoing, withdrawal of the objections to claims 9-10, 16-17 and 23-24 are respectfully requested.

### **III. The Indefiniteness Rejections**

Each of claims 1-10, 11-17, 18-24 and 25-30 were rejected under 35 U.S.C. §112, second paragraph, as being indefinite, and thus was asserted to be unpatentable.

Each of claims 1-10, 11-17, 18-24 and 25-30 were all rejected by the Examiner based on a lack of antecedent basis for the recited “segment” and “plurality of segments” terms. Applicant has addressed this antecedent basis issue by way of clarifying amendments to the claims. In view of these clarifying changes, withdrawal of the §112, second paragraph, rejections are respectfully requested.

### **IV. The Statutory Subject Matter Rejections**

Each of claims 1-10, 11-17, 23 and 25-30 were rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter, and thus was asserted to be unpatentable.

With regard to method claims 1-10 and 25-30, the Examiner has suggested certain corrective action to address the §101 rejection. Applicant is grateful for the suggestion and has amended those claims, either directly or indirectly, to reflect the corrective action suggested by the Examiner.

With regard to claim 11 and, indirectly, its dependent claims 12-17, Applicant has amended the claims to make explicit that which is implicit—namely, that the recited computer readable medium is an article of manufacture which is a statutory class.

As noted above, claim 23 was amended to depend from apparatus claim 18, which has not been subjected to a §101 rejection by the Examiner.

<sup>1</sup> Applicant has amended claim 23 to depend from claim 18 instead of claim 16 to address a minor drafting error.

In view of the foregoing, withdrawal of the §101 rejection of claims 1-10, 11-17, 23 and 25-30 are respectfully requested.

#### V. The Obviousness Rejections

Each of claims 1, 6-11, 16-18, 23-24 and 27-30 were rejected under 35 U.S.C. §103(a) being obvious, and thus unpatentable over U.S. Patent No. 7,181,422 (Philip) in view of US Pub No. 2002/0099637 (Wilkinson). Applicant respectfully requests that the Examiner reconsider the §103 rejection for the reasons mentioned below.

The Examiner states that Philip teaches “selecting one or more segments of each of a plurality of streams of expected payments that are to satisfy a plurality of obligations to provide payments to a holder of one or more rights to receive such payments in exchange for transfers of interests in one or more intellectual property assets, said one or more segments corresponding to a first time period having a first duration that is less than a second duration of a second time period over which at least one of the streams of expected payments is expected to extend, wherein said one or more segments are selected such that a first total amount of expected payments associated with said one or more segments satisfies one or more criteria.”

Although the Examiner asserts that Philip teaches that an asset is broken into multiple segments in the manner claimed. That is not the case. Philip teaches that “securitization of financial assets is used by financial institutions to sell interests in pools of financial assets”, where “a financial asset can be any promise of a future flow of money.” Philip at 6-9. Philip further teaches that “interests in selected portions or tranches of the pool may be sold”, where “tranches represent a defined and limited aspect of the assets within the pool.” Philip at 32-34. However, none of the portions of Philip relied upon by the Examiner teach selecting segment(s) from each of a plurality of streams of expected payments of the type recited in the claim, where the segments correspond to a first time period having a first duration that is less than a second duration of a second time period over which at least one of the streams of expected payments is expected to extend.

The portions of Philip relied upon by the Examiner simply fails to teach the parsing of each of the streams of expected payments into segment(s), where the segment(s) correspond to a first time period that is shorter than a second time period over which at least one of the streams of expected payments is expected to extend. In addition, because as the Examiner

acknowledges, Philip does not teach anything relating to intellectual property assets, the reference fails to teach selecting segments of the type of expected payments (i.e., payments that are to satisfy a plurality of obligations to provide payments to a holder of one or more rights to receive such payments in exchange for transfers of interests in one or more intellectual property assets) recited in the claim.

Because Philip fails to teach selecting segments in the manner claimed, the reference fails to teach that the “segment(s) are selected such that a first total amount of expected payments associated with said segment(s) satisfies one or more criteria” or to teach “identifying one or more portions of said one or more rights for transfer to an entity”, where the portion(s) correspond to the segment(s) that correspond to the first period.

The Examiner acknowledges that Philip does not teach “intellectual property assets”. As such, the reference does not teach selecting segments of each of a plurality of streams of expected payments of the type claimed (i.e., payments that are to satisfy a plurality of obligations to provide payments to a holder of one or more rights to receive such payments in exchange for transfers of interests in one or more intellectual property assets). However, the Examiner argues that U.S. Pub No. 20002/0099637 (Wilkinson) “teaches securitizing IP and creating financial instruments from IP assets.” Yet the portions of Wilkinson relied upon by the Examiner fail to account for the deficiencies of Philip in that they fail to teach “selecting ... segments” or “identifying ...portions ... corresponding to the one or more segments” in the manner claimed. The present invention of claim 1 carries out these steps in order to facilitate providing relatively smooth IP based payment streams over a particular time period when the expected IP based payment streams are predicted to be variable over that period, which, in turn, greatly facilitates securitizing the underlying rights to receive those payments. The Philip and Wilkinson references simply do not provide this advantage.

For at least the reasons mentioned above, Applicant respectfully submits that independent claim 1 would not have been rendered obvious by the combination of Philip and Wilkinson. For reasons similar to claim 1, Applicant submits that neither Philip, alone, or in combination with Wilkinson would have rendered obvious independent claims 11 and 18. Because independent claims 1, 11 and 18 would not have been rendered obvious, Applicant respectfully submits that dependent claims 6-10, 16-18, 23-24 and 27-30 also would not have been rendered obvious by the teachings of Philip and Wilkinson.

Each of claims 2, 12, 19 and 25-26 were rejected under 35 U.S.C. §103(a) as being

obvious, and thus unpatentable over U.S. Patent No. 7,181,422 (Philip) in view of US Pub No. 2002/0099637 (Wilkinson) as applied to claim 1 above with respect to claims 2 and 26, as applied to claim 11 above with respect to claim 12, as applied to claim 18 above with respect to claim 19 and in view of US Pub No. 2002/0138299 (Nations). Applicant respectfully requests that the Examiner reconsider the §103 rejection for the reasons mentioned below.

For at least the reasons mentioned above with respect to independent claims 1, 11 and 18, Applicant respectfully submits that dependent claims 2, 12, 19 and 26 also would not have been rendered obvious by the combination of Philip and Wilkinson. The Examiner relies upon Nations only to address specific limitations of dependent claims 2, 12, 19 and 26, and not the limitations of independent claims 1, 11 and 18 upon which they depend, and the portions of Nations relied upon by the Examiner do not account for the deficiencies of Philip and Wilkinson noted above. Thus, dependent claims 2, 12, 19 and 26 would not have been rendered obvious by the teachings of Philip, Wilkinson and Nations.

With regard to independent claim 25, Applicant disagrees with the Examiner's assertion that Philip teaches that an asset is broken into multiple segments in the manner claimed. Philip teaches that "securitization of financial assets is used by financial institutions to sell interests in pools of financial assets", where "a financial asset can be any promise of a future flow of money." Philip at 6-9. Philip further teaches that "interests in selected portions or tranches of the pool may be sold", where "tranches represent a defined and limited aspect of the assets within the pool." Philip at 32-34. However, none of the portions of Philip relied upon by the Examiner teach, for an identified time period, selecting a segment from each of a plurality of expected streams of payments, said segment being of a duration that is shorter than that of at least one of the plurality of expected streams of payments. The portions of Philip relied upon by the Examiner simply fails to teach selecting such a segment. In addition, because as the Examiner acknowledges, Philip does not teach anything relating to intellectual property assets, the reference fails to teach selecting a segment of an expected stream of payments of the type (i.e., payments satisfying at least one obligation to provide payments to a holder of at least one right to receive such payments in exchange for a transfer of at least one interest in at least one intellectual property asset) recited in the claim.

Because Philip fails to teach selecting a segment in the manner claimed, the reference fails to teach that "each segment is selected such that a total amount of payments associated

with each and every segment so selected satisfies one or more predetermined criteria” or to teach “offering to transfer to an entity, an identified portion of said at least one right, said identified portion corresponding to the identified time period [corresponding to each segment], said identified portion being distinct from a remaining portion of said at least one obligation.”

The Examiner acknowledges that Philip does not teach “intellectual property assets”. As such, the reference does not teach selecting segments of each of a plurality of streams of expected payments of the type claimed (i.e., payments satisfying at least one obligation to provide payments to a holder of at least one right to receive such payments in exchange for a transfer of at least one interest in at least one intellectual property asset). However, the Examiner argues that U.S. Pub No. 20002/0099637 (Wilkinson) “teaches securitizing IP and creating financial instruments from IP assets.” Yet the portions of Wilkinson relied upon by the Examiner fail to account for the deficiencies of Philip in that they fail to teach “selecting a segment” or “offering ... an identified portion of said at least one right, said identified portion corresponding to the identified time period” that corresponds to each segment. In the manner claimed. Although the Examiner argues that Nations teaches periodic tranches, Nations does not relate to IP assets and does not teach “selecting a segment from each of a plurality of expected streams of payments” in the manner recited in claim 25. As such the Nations reference does not overcome the deficiencies of Philip and Wilkinson.

The present invention of claim 25 carries out these steps in order to facilitate providing relatively smooth IP based payment streams over a particular time period when the expected IP based payment streams are predicted to be variable over that period, which, in turn, greatly facilitate securitizing the underlying rights to receive those payments. The Philip, Wilkinson and Nations references simply do not provide this advantage.

Each of claims 3, 5, 13, 15, 20 and 22 were rejected under 35 U.S.C. §103(a) as being obvious, and thus unpatentable over U.S. Patent No. 7,181,422 (Philip) in view of US Pub No. 2002/0099637 (Wilkinson) as applied to claim 1 above with respect to claims 3 and 5, as applied to claim 11 above with respect to claims 13 and 15, as applied to claims 18 above with respect to claims 20 and 22 and further in view of Official Notice. Applicant respectfully requests that the Examiner reconsider the §103 rejection for the reasons mentioned below.

For at least the reasons mentioned above with respect to independent claims 1, 11 and

18, Applicant respectfully submits that dependent claims 3, 5, 13, 15, 20 and 22 also would not have been rendered obvious by the combination of Philip and Wilkinson. The Examiner relies upon Official Notice only to address the specific limitations of dependent claims 3, 5, 13, 15, 20 and 22, and not the limitations of independent claims 1, 11 and 18 upon which they depend, and the Official Notice relied upon by the Examiner does not account for the deficiencies of Philip and Wilkinson. Thus, dependent claims 2, 12, 19 and 26 would not have been rendered obvious by the teachings of Philip, Wilkinson and the Official Notice. In addition, Applicant does not agree that the Official Notice is appropriate because no evidentiary support is offered in connection with the assertions made or as to what inferences should appropriately be drawn from the Official Notice taken as they pertain to the alleged obviousness of the invention.

Each of claims 4, 14 and 21 were rejected under 35 U.S.C. §103(a) as being obvious, and thus unpatentable over U.S. Patent No. 7,181,422 (Philip) in view of US Pub No. 2002/0099637 (Wilkinson), and Official Notice as applied to claims 1 and 3 above with respect to claim 4, as applied to claim 11 and 13 above with respect to claim 14, as applied to claims 18 and 20 above with respect to claim 21 and further in view of US Pub No. 2005/0097022 (Silman). Applicant respectfully requests that the Examiner reconsider the §103 rejection for the reasons mentioned below.

For at least the reasons mentioned above with respect to independent claims 1, 11 and 18 and dependent claims 3, 13 and 20, Applicant respectfully submits that dependent claims 4, 14, and 21 also would not have been rendered obvious by the combination of Philip, Wilkinson and the Official Notice. The Examiner relies upon Silman only to address the specific limitations of dependent claims 4, 14 and 21, and not the limitations of independent claims 1, 11 and 18 and dependent claims 3, 13 and 20 upon which they ultimately depend, and the portions of Silman relied upon by the Examiner do not account for the deficiencies of Philip Wilkinson and the Official Notice. Thus, dependent claims 4, 14 and 21 would not have been rendered obvious by the teachings of Philip, Wilkinson, Official Notice and Silman.

In view of the foregoing, withdrawal of the §103 rejections of claims 1-30 is respectfully requested.



**CONCLUSION**

It is respectfully submitted that the application is in clear condition for allowance. Reconsideration, withdrawal of all grounds of rejection, and issuance of a Notice of Allowance are earnestly solicited.

The Office is hereby authorized to charge any additional fees or credit any overpayments under 37 C.F.R. 1.16 or 1.17 to Deposit Account 50-2504. The Examiner is invited to contact the undersigned at 434-972-9988 to discuss any matter regarding this application.

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